GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2905
ANSWERED ON:17.12.2004
CREDIT CARDS
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that Citi Bank/ ICICI Bank on their own without any written request from individuals, issue Credit Cards and then remits such people the account maintenance charges and service tax bill even without using such credit cards;

(b) if so, the reasons for issuing credit cards without any written request;

(c) the steps proposed to be taken by the Government to check these bank hoodwinking the people at large;

(d) the number of credit cards issued by these banks without written request from them during each of the last three years and to the number of people they issued account maintenance charges and service tax charges bills;

(e) whether the Government proposes to direct th Citi Bank/ ICICI Bank to desist from issuing credit cards without written request from individuals; and

(f) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (f): Credit Card operations of banks have been deregulated. Banks can undertake credit card business either departmental/ or through a subsidiary company set up for the purpose. They can also undertake domestic credit card business by entering into tie-up arrangement with one of the banks already having arrangements for issue of credit cards. Prior approval of the Reserve Bank of India is not necessary for banks desirous of undertaking credit card business either independently or in tie-up arrangement with otlisr card issuing banks. Banks can do so with the approval of their Boards.

As announced in the Mid-Term review of the Annual Policy for 2004-05, a Working Group has been constituted by RBI to look into the regulatory and customer protection aspect and suggest measures for card usage in a safe, secure Â£.:id customer friendly manner. It has also been decided to include credit card complaints within the ambit of the Banking Ombudsman Scheme.